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HSBC Navigator annual survey: The majority of Greek businesses expect to return to pre-COVID levels by the end of 2022

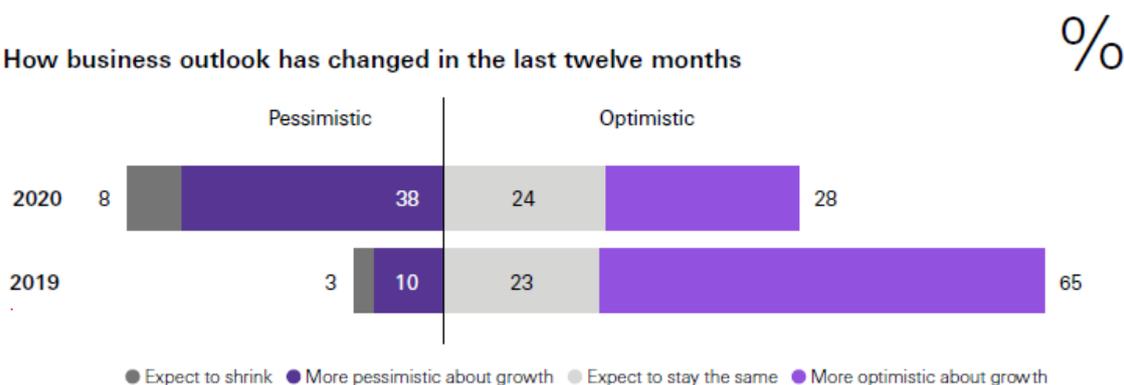
- The percentage of Greek companies which are more optimistic about their business growth than a year ago has dropped to 28% in 2020 from 65% in 2019
- While 81% of Greek companies are feeling that international trade has become more difficult, their outlook on international trade remains positive
- Sustainability is gaining momentum in Greece with 94% of Greek firms stating that there are multiple opportunities for their business from improving their environmental and ethical sustainability

As the world awaits widespread access to Covid-19 vaccines, a new report from HSBC Commercial Banking is drawing on the expectations and sentiment of over 10,000 companies in 39 countries and territories, amongst them Greece.

A significant decline in optimism

HSBC's annual Navigator survey finds that while in 2019 Greek companies were the most optimistic in Europe on their future growth, in 2020 business outlook is distinctly more pessimistic than last year and gloomier than seen globally and in Europe. The proportion of Greek companies which are more optimistic about their business growth has declined from 65% in 2019 to 28% in 2020, a significantly steeper drop than seen globally and in Europe.

How business outlook has changed in the last twelve months



Only 9% of Greek businesses are more profitable than they were before the Covid-19 outbreak and 34% expect to return to pre-Covid profitability by the end of 2021. However, 32% and 11% of businesses expect it will take until the end of 2022 and of 2023 respectively just to claw back ground lost during the pandemic, while 8% are looking at 2024 or beyond.

In line with the global trend, the pandemic has not dampened the inclination of the majority of Greek companies to invest to grow. 63% of Greek companies intend to increase investment in their business in the next year. Fewer than one in five intend to reduce investment. Greek firms are planning to focus their investment on marketing, cash flow and capital management and customer experience.

International trade outlook remains positive

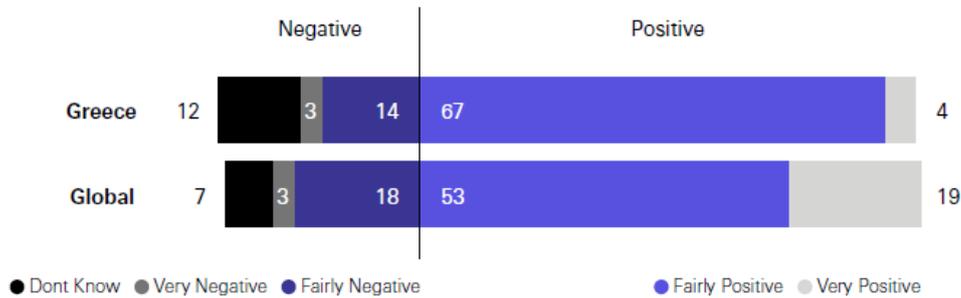
While 81% of Greek businesses feel that cross-border trade has become more difficult than it was pre-pandemic, their commitment to pursuing international opportunities appears

undiminished. 71% of businesses in Greece are positive on their international trade over the next two years. Still, this represents a 10% point decline from 2019, aligned with the global trend.

Greek international companies also uplifted their proportion of international trade, with around one-third of the companies having more than 50% of their business form abroad, which is now on par with the global average.

Europe remains the most important trading block for Greece with more than 84% of Greek firms currently trading with European markets, followed by North America (28%). Looking to the next 3 – 5 years, Europe is likely to remain the most important trading region for Greek companies.

Company's prospects for international trade outlook (next 1-2 years)



Reshaping supply chains

During the past year, more than 9 in 10 Greek businesses had concerns relating to their supply chain mainly around increasing cost (49%), financial resources / time spent on managing the supply chain (31%) and suppliers being too distant from target customers or their business (31%).

The top immediate supply chain priorities in 2021 among Greek companies are the increase in use of technology (72% in Greece vs. global: 48%) as well as tightening specifications/contracts (53% vs. 38%).

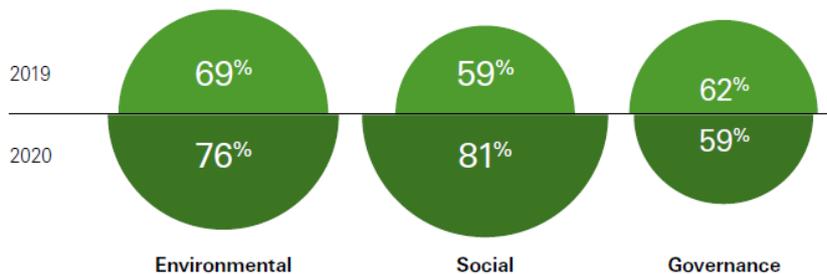
Opportunities arise from improved sustainability standards

94% of Greek firms stated that multiple opportunities arise for their business from improving their environmental and ethical sustainability most notably in enhancing reputation (39%), contributing to local communities (37%), attracting investment (33%) and promoting employee well-being (33%). 75% of Greek companies expect their sales to grow over the next year from a greater focus on sustainability, with the majority (51%) anticipating this growth to be modest –up to 5%.

While below the global average, the majority of Greek companies have plans or have already set targets for various aspects of Environmental Social and Governance (ESG) issues. In line with the global trend, 76% of Greek companies (up from 69% in 2019) have metrics in place to track environmental sustainability, 81% (up from 59% in 2019) measure social sustainability and 59% (down from 62% in 2019) track aspects of governance.

Measuring sustainability

Greek companies measuring all 3 aspects compared with 2019.



Peter Yeates, CEO of HSBC in Greece said: “*Sentiment among Greek businesses has significantly deteriorated due to the COVID outbreak, but some of the findings are encouraging for the post-pandemic recovery. Greek businesses are still willing to invest in growth, are positive on their international trade outlook and are looking to tap into international opportunities.*

It’s also promising to see that there is a growing realization among Greek businesses that their future growth relies heavily on their commitment to sustainability. If policymakers, regulators, financial institutions and corporations across the world treat the pandemic as a wakeup call, we can anticipate a more viable restart of the economy after the end of this unprecedented crisis”.

Ends/more

Notes to editors:

HSBC Navigator:

The Navigator survey is conducted on behalf of HSBC by Kantar. This survey of over 10,000 businesses spans 39 countries, markets and territories. It was conducted between 11 September and 7 October 2020.

Markets in scope: **Europe:** Belgium, France, Germany, Greece, Ireland, Italy, Netherlands, Poland, Russia, Spain, Sweden, Switzerland, UK. **Asia-Pacific:** Australia, Bangladesh, mainland China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, Vietnam. **Middle East & North Africa:** Egypt, Saudi Arabia, Turkey, UAE. **North America:** Canada, Mexico, USA. **South America:** Argentina, Brazil. **Rest of Africa:** South Africa.

For more information visit: <https://www.business.hsbc.com/navigator>

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